



initiative 積極進取

- ↗ Promote product diversity
加強產品種類
- ↗ Set top quality standards
提升質素水平

Business Review

Overview

During the year ended 30 April 2003, the global economy continued to be volatile with weak consumer sentiment due to instability in the Middle East after the US-led war on Iraq and outbreak of SARS.

Despite these conditions, the Group delivered robust growth in both our turnover and net profit after tax attributable to shareholders. For the year ended 30 April 2003, the Group recorded shipment volume of approximately US\$633.2 million (equivalent to HK\$4,939.0 million), representing an increase of approximately 29.4% as compared to last year. Turnover, comprised commission income, sales of merchandise and service income, was recorded at approximately US\$44.3 million (equivalent to HK\$345.5 million), representing an increase of approximately 49.7% as compared to last year. Net profit after tax attributable to shareholders for the year under review was approximately US\$12.3 million (equivalent to HK\$95.9 million), an increase of approximately 48.2% when compared to last year. Net margin as a percentage of shipment volume improved by approximately 17.6% from 1.7% to 2.0% during the year under review due to prudent cost measures, improved operating efficiencies, the increase in shipment volume and contribution from higher margin value-added services for customers. Thanks to our global network and timely implementation of various contingency measures, the outbreak of SARS in the region did not cause any major disruptions to our operations during the year under review.

業務回顧

概覽

截至二零零三年四月三十日止年度，全球經濟表現反覆，美國發動對伊拉克的戰爭導致中東局勢不穩，加上非典型肺炎爆發，以致消費市場氣氛疲弱。

縱使如此，集團的營業額和除稅後股東應佔純利仍錄得極佳增長。截至二零零三年四月三十日止年度，集團錄得之付運量總值約達 633,200,000 美元（相等於 4,939,000,000 港元），比去年上升約 29.4%。營業額（包括佣金收入、商品銷售及服務收入）較去年上升約 49.7% 至約 44,300,000 美元（相等於 345,500,000 港元）。於回顧年度內之除稅後股東應佔純利約達 12,300,000 美元（相等於 95,900,000 港元），比去年上升約 48.2%。於回顧年度內，集團以付運量之百分比計算的純利率由 1.7% 上升至 2.0%，升幅約為 17.6%，此增長有賴於謹慎的成本控制措施、營運效率之改進、付運量增加，以及客戶增值服務所帶來之較高毛利率所致。憑藉集團的環球網絡以及合時地實行多項緊急應變措施，區內爆發之非典型肺炎並無對回顧年內集團之營運造成重大影響。





Market Overview

During the year under review, the Group enjoyed several successes in its strategy of market diversification.

US Market

During the year under review, the US market accounted for approximately 38.8% of the Group's turnover, making it the Group's fastest growing and largest market. Turnover attributable to the US market amounted to approximately US\$17.2 million (equivalent to HK\$134.2 million), representing an increase of approximately 105.1% over that of last year. The Group successfully integrated the Warnaco business as evidenced by the robust growth of this account during the year under review. Although the consumer sentiment remained cautious, the directors are confident that the outlook remains good as they believe that the trend for outsourcing will continue. Meanwhile, the Group will continue its efforts to generate new business through broader services and deeper market coverage.

Canadian Market

As a result of the Group's successful offering of value-added services to provide our customers with total supply chain management solutions, the Group's turnover attributable to the Canadian market increased by approximately 31.7% from approximately US\$11.1 million (equivalent to HK\$86.6 million) in last year to approximately US\$14.6 million (equivalent to HK\$113.9 million) for the year under review. The growth was mainly attributable to the Group's value-added services, such as private label development and packaging and trim services.

The Canadian Government granted duty free and quota free status to many Least Developed Countries (LDC), including Bangladesh, during the year under review. As a result, the Group has shifted a portion of its sourcing base from other Asian countries to Bangladesh, thus increasing the share of sourcing generated from Bangladesh to Canada.

市場概覽

於回顧年度內，集團成功地落實了市場多元化策略。

美國市場

於回顧年度內，美國市場佔集團之營業額約為38.8%，約達17,200,000美元（相等於134,200,000港元），較去年上升約105.1%，成為集團增長最迅速及最大之市場。集團與客戶Warnaco之業務成功整合，可從Warnaco在回顧年度內帶給集團顯著的業務增長充份反映。雖然消費者態度仍然謹慎，但董事相信外判採購之趨勢持續強勁，並有信心集團的前景會持續向好。同時，集團亦會繼續致力提供更全面的服務及擴大市場覆蓋範圍，務求為集團開拓更多商機。

加拿大市場

集團推出的增值服務給予客戶更全面的供應鏈管理方案，促使加拿大市場的營業額躍升，由去年度之約11,100,000美元（相等於86,600,000港元）增加至回顧年度之約14,600,000美元（相等於113,900,000港元），增幅約達31.7%。此增長主要歸功於集團之增值服務，包括為客戶提供自有品牌產品開發服務及包裝和輔料服務等。

加拿大政府於回顧年度內給予許多未開發國家免稅及免配額的優惠，其中包括了孟加拉。因此，集團將其部份採購基地由其他亞洲國家轉移到孟加拉，此舉增加了集團由孟加拉採購至加拿大所佔之比率。



integration 融滙貫通

↗ Strengthen I.T. capabilities
強化資訊科技能力

↗ Recognise talented people
知人善任



innovation 不斷創新

↗ Explore customer needs
發掘客戶需要

↗ Provide tailored solutions
提供貼身方案



As the Canadian market has been affected by economic downturn, consumer confidence and purchasing power in Canada remains weak. As a result, the Group expects its first quarter results for the year ending 30 April 2004 will be affected but remains cautiously optimistic that any adverse impact will not continue due to the fast recovery expected after the removal of Canada from the list of SARS-affected areas.

European Market

During the year under review, the Group recorded turnover to the European market of approximately US\$2.8 million (equivalent to HK\$21.8 million), representing an increase of approximately 33.3% over that of the last year. Notwithstanding the increase in turnover attributable to the European market, the management's strategy is to aggressively expand the Group's penetration in such market in the coming years. In May 2003, the Group signed up Dr. Rehfeld Holding AG of Germany, one of the top 100 clothing suppliers in Europe, as a new customer. The management is confident that the Group will continue to see business growth in view of its commitment to expand the sales network and customer base in Europe.

Hong Kong and Other Markets

During the year under review, the Group's turnover to Hong Kong and other markets was approximately US\$9.7 million (equivalent to HK\$75.7 million), representing an increase of approximately 20.1% over that of the last year. The signing on of a new customer Edgars Consolidated Stores Limited (Edcon), a leading retail conglomerate in South Africa, in April 2003 further demonstrates the success of the Group's customer acquisition campaign, contributing to our strategy of market diversification to further reduce the Group's reliance on the North American market.

加拿大市場受到經濟環境下滑之影響，消費者信心以及購買力均持續疲弱，集團預計其截至二零零四年四月三十日止年度第一季之業績將會受到影響。但集團亦同時保持審慎樂觀之態度，因為加拿大已從非典型肺炎疫區名單中除名，預期加拿大市場將會迅速復原，令事件的負面影響不致持續。

歐洲市場

於回顧年度內，集團於歐洲市場錄得的營業額約為2,800,000美元（相等於21,800,000港元），比去年上升約33.3%。縱然歐洲市場所佔之營業額上升，管理層於未來數年會貫徹積極之策略部署以擴展歐洲市場，加強集團於該市場之滲透。於二零零三年五月，集團吸納德國的Dr. Rehfeld Holding AG為新客戶，該公司為歐洲一百家規模最大的服裝供應商之一。集團不斷致力擴大歐洲市場的銷售網絡以及客戶基礎，管理層有信心集團於歐洲市場之業務會繼續增長。

香港及其他市場

於回顧年度內，集團於香港及其他市場所錄得的營業額約為9,700,000美元（相等於75,700,000港元），較去年上升約20.1%。於二零零三年四月，集團成功吸納新客戶Edgars Consolidated Stores Limited（「Edcon」）。Edcon乃南非的著名零售企業，成功吸納Edcon為新客戶顯示了集團強勁的採購以及吸納客戶之能力，亦落實了集團市場多元化之策略，有助減低集團北美市場之比重。



Hardgoods Development

During the year under review, the Group's turnover in hardgoods contributed approximately US\$5.3 million (equivalent to HK\$41.3 million), representing a modest increase of approximately 1.2% as compared to last year. To strengthen its execution and offerings, the Group recruited a new business director in charge of hardgoods in April 2003 to aggressively grow this business. In addition to expanding our customer base in North America, the Group anticipates expansion opportunities in the European and other markets in the near future.

L.O.G.O.N. System

During the year under review, the Group successfully linked the L.O.G.O.N. system to some of its key customers and vendors. The Group expects to have a fully-connected system among its key customers, vendors and the Group by the end of fiscal year 2004.

In addition to RFQ (Request For Quotation) and E-Office Human Resources Intranet, the Group further expanded the functionalities of L.O.G.O.N. system to include E-Approval and E-Fixed Asset modules and expects to complete the modules on E-Auction facility, E-Accounts Receivable and E-General Ledger within the next two years, allowing the Group to have a comprehensive web-based Enterprise Resource Planning (ERP) system to realize the full benefits and synergies of an advanced technological platform.

To augment its I.T. planning and execution capabilities, the Group recruited a new business director in charge of I.T. in May 2003. The Group will continue to invest in the enhancement of its L.O.G.O.N. system to further reinforce the connectivity and integration with its customers and vendors as part of our global supply chain management solutions.

雜貨採購發展

於回顧年度內，集團於雜貨採購的營業額比去年輕微上升了約 1.2%，約達 5,300,000 美元（相等於 41,300,000 港元）。集團於二零零三年四月聘請了一位新的業務總監管理雜貨採購，以加強此方面的營運，並積極發展此業務。除了擴大北美的客戶基礎外，集團預計未來於歐洲及其他市場亦有發展商機。

L.O.G.O.N. 系統

於回顧年度內，集團成功將 L.O.G.O.N. 系統連繫其主要客戶及供應商。集團預期在二零零四年財政年度之內會全面完成其主要客戶、供應商與集團本身之系統連繫。

除電子報價及電子人力資源內聯網服務以外，集團已將 L.O.G.O.N. 系統所提供的功能擴展至電子批核和電子固定資產，並期望在未來兩年內完成電子拍賣服務、電子應收帳及電子總分類帳功能的建立。是項發展有利集團全面掌握先進科技平台之優勢和成效，實現一個以網絡為基礎的企業資源計劃系統。

集團於二零零三年五月增聘了一名資訊科技業務總監，以加強資訊科技規劃與應用能力。集團將繼續投放更多資源提升 L.O.G.O.N. 系統，以便鞏固與客戶及供應商的聯繫和合作，令集團的環球供應鏈管理方案更完備。



diversification

靈活多變

- ↗ Broaden business scope
擴闊業務領域
- ↗ Manage geographical exposure
管理地域分佈



Value-added Services

During the year under review, the Group's value-added services showed a promising start, generating a turnover of approximately US\$10.9 million (equivalent to HK\$85.0 million). In addition to the Group's existing value-added services, including product development for private label business and design services, packaging and trim services, quality assurance and social compliance auditing services, the Group will further expand its offerings to existing and new customers. The management expects contributions from the Group's value-added services will continue to grow strongly in the coming years.

China Expansion

With China's growing importance as a strategic sourcing hub after its accession to the WTO, the Group has expanded its office network in China to include Shenzhen, Shanghai, Fuzhou, and Tianjin. The Group was a co-sponsor together with the China Commerce Association for General Merchandise (CCAGM) of the first and largest China Department Store Summit held in Beijing in March 2003 with very encouraging results. The management believes that the successful retail summit and its affiliation with the Group's parent company has helped the Group establish its credibility, providing a platform to introduce the Group's supply chain management solutions to potential department stores and retail groups in China which are looking for ways to improve their competitiveness and profitability in light of China's entry into the WTO.

Financial Review

The Group's financial position is strong with deposits and cash balances of approximately US\$37.9 million (equivalent to HK\$295.6 million) as at 30 April 2003. In addition, the Group has banking facilities of approximately US\$1.0 million (equivalent to HK\$7.8 million) which have not been utilised. The Group has continued to operate under a debt-free model with no outstanding net debt as at 30 April 2003 except a hire

增值服務

於回顧年度內，集團新推出的增值服務成績卓越，錄得營業額約 10,900,000 美元（相等於 85,000,000 港元）。除現有的增值服務包括為客戶提供自有品牌產品開發及設計服務、包裝及輔料服務、品質保證及社會責任經營守則監查服務外，集團正繼續為現有及新的客戶拓展更多新服務。管理層預期整體增值服務的貢獻於未來數年會繼續快速增長。

中國市場的擴展

中國自加入世界貿易組織後已成為集團一個重要的策略性採購基地。集團成功於中國拓展其業務網絡至深圳、上海、福州及天津。於二零零三年三月，集團與中國百貨商業協會合作協辦於北京舉行之國內首屆及規模最大的中國百貨業高峰論壇，並取得令人鼓舞的成績。管理層相信，是次論壇的成功，加上論壇主辦機構與集團母公司的合作關係，有利集團於業界建立良好信譽。在中國加入世界貿易組織之後，很多中國百貨公司及零售集團正積極提高自身的競爭及盈利能力，是次論壇正好提供機會予集團與此等潛在客戶接洽，藉此推介其供應鏈管理解決方案。

財務回顧

集團的財務狀況穩健，於二零零三年四月三十日，集團持有存款及現金結餘約 37,900,000 美元（相等於 295,600,000 港元）。此外，銀行備用信貸約為 1,000,000 美元（相等於 7,800,000 港元）。集團繼續貫徹其無負債的營運模式，除了一項賬面淨值約 47,000 美元

致力為供應鏈管理解決方案增值

Committed to adding value to supply chain management solutions



purchase loan for a motor vehicle at a net book value of approximately US\$47,000 (equivalent to HK\$367,000).

The Group has a strong current ratio of 12.0 and a negligible gearing ratio of less than 0.1%, based on interest bearing borrowings of approximately US\$28,000 (equivalent to HK\$218,000) to shareholders' equity of approximately US\$45.7 million (equivalent to HK\$356.5 million), as at 30 April 2003. During the year under review, the Group's capital comprised solely of shareholders' equity. There has not been any material change in the Group's borrowings since 30 April 2003.

The Group's net asset value as at 30 April 2003 was approximately US\$45.7 million (equivalent to HK\$356.5 million).

As at 30 April 2003, the Group had no material contingent liability and there has been no material change since then.

The majority of the Group's transactions are denominated in US dollars and Hong Kong dollars. Since the Hong Kong dollar is pegged to US dollar, the management believes that exchange risk is not significant at this time.

Human Resources

For the year under review, the Group has strengthened its senior management team with the hiring of a new corporate director, a former executive vice president in charge of operations at Colby International Limited, a sourcing company acquired by Li & Fung in 2000. The corporate director is responsible for the day-to-day operations of the Group to raise operational efficiencies and promote customer-oriented culture. The two new business directors recruited separately for hardgoods and I.T. report to the corporate director. The Group will continue to invest in human capital to drive its business moving forward.

(相等於 367,000 港元) 的汽車租購貸款外，集團於二零零三年四月三十日並無任何未償還的負債淨額。

集團的流動比率維持於 12.0 的穩健水平。於二零零三年四月三十日，按計息借貸約 28,000 美元（相等於 218,000 港元）對比股東資金約 45,700,000 美元（相等於 356,500,000 港元）計算之資本負債比率更少於 0.1%。於回顧年度內，集團資本僅由股東資金組成。自二零零三年四月三十日起，集團之借貸並未有任顯顯著變動。

於二零零三年四月三十日，集團之資產淨值約為 45,700,000 美元（相等於 356,500,000 港元）。

於二零零三年四月三十日，集團並無重大或然負債，此後亦無重大變動。

集團大部份交易主要以美元及港元結算。由於港元與美元掛鈎，故管理層認為現時匯兌風險不大。

人力資源

於回顧年度內，集團增聘了一位營運總監，進一步加強高級管理層陣容。新任營運總監曾任採購公司領高國際有限公司（於二零零零年為利豐集團收購）之營運副總裁，其履新後，負責集團的日常營運，以提升效率及提倡集團以客為尊的文化。在營運總監之下，集團亦新聘了兩名業務總監—雜貨業務總監及資訊科技業務總監。未來，集團會繼續投放資源於人才上，以拓展業務增長。

Seizing every opportunity to grow



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Remuneration Policy and Staff Development Scheme

As at 30 April 2003, the Group had 709 employees. The total staff costs for the year under review amounted to approximately US\$16.9 million (equivalent to HK\$131.8 million) (2002: US\$12.8 million (equivalent to HK\$99.8 million)).

The Group offers competitive remuneration schemes to its employees based on industry practices, individual and the Group's performance. In addition, share options and discretionary bonuses are also granted to eligible staff based on both the Group's as well as individual performance. It also offers fringe benefits such as professional tuition and training subsidies to staff to enhance their sense of loyalty and as part of the Group's emphasis on staff training and development.

Prospects

The Group is concerned with the further weakening of an already slow global economy due to the yet to be determined effects of the Iraqi war and a possible re-occurrence of SARS. While the effects of SARS on the results of the Group were limited in the year under review, the management will monitor closely any possible impact in the upcoming periods. The management remains cautiously optimistic given the continuation of a global outsourcing trend. In the wake of the recent SARS episode, brand owners and retailers continue to seek partnerships with sourcing agents offering competitive and value-added solutions in the management of their global supply chains. The management also expects the new customers will make important contributions to the Group. Riding on the increasing trend of outsourcing, the management is confident in taking business further in the year ending 30 April 2004.

Besides the addition of an office in Cambodia, the sourcing network of the Group was further strengthened by doubling the size of the offices in Bangladesh and Shanghai in China.

員工薪酬政策及培訓計劃

於二零零三年四月三十日，集團聘有 709 名員工。於回顧年度內的員工成本總額約為 16,900,000 美元（相等於 131,800,000 港元）（二零零二年：12,800,000 美元（相等於 99,800,000 港元））。

集團按行業慣例、員工個人以及集團表現，為員工制訂具競爭力的薪酬方案，並根據員工個人以及集團表現將購股權及酌情花紅授予和發放予合資格的員工。此外集團亦向員工提供專業進修及培訓津貼等福利，以加強員工對集團之忠心度，以及配合集團着重員工培訓及發展的方針。

展望

集團非常關注美伊戰爭及有可能再爆發之非典型肺炎事件進一步打擊本已放緩的環球經濟。儘管非典型肺炎對集團於回顧年度內之業績所構成之影響有限，但管理層仍會密切監察其於日後期間可能構成之影響。管理層對前景仍抱著審慎樂觀的態度，全因環球外判採購之趨勢持續強勁。近期非典型肺炎事件更進一步確定這趨勢，眾多品牌持有人以及零售商積極尋求與採購商合作，為其提供更有競爭力及增值能力的環球供應鏈管理解決方案。管理層預期新客戶將會為集團業務帶來重要貢獻。隨著外判採購之增長趨勢，管理層有信心於截至二零零四年四月三十日止年度進一步拓展業務。

除了在柬埔寨增設辦事處外，集團設於孟加拉及中國上海的辦事處規模亦已擴大兩倍，進一步壯大集團的採購網絡。

Meanwhile, with deposits and cash balances of approximately US\$37.9 million (equivalent to HK\$295.6 million), the Group is actively seeking strategic merger and acquisition opportunities.

Use of Proceeds of the Initial Public Offering

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 10 May 2002. Through the issue of 148.2 million new shares at HK\$1.68 each, the Group raised approximately US\$31.9 million (equivalent to HK\$248.8 million). After deduction of listing related expenses, net proceeds were approximately US\$27.8 million (equivalent to HK\$216.8 million).

As at 30 April 2003, a total of approximately US\$1.5 million (equivalent to HK\$11.7 million) of the net proceeds had been used for I.T. investment (L.O.G.O.N. system), and setting up of sourcing offices in China. The remaining net proceeds of approximately US\$26.3 million (equivalent to HK\$205.1 million) will be used as planned to further expand the sourcing network, enhancement of L.O.G.O.N. system, marketing and business development together with mergers and acquisitions. While the Group continues to look for synergistic merger and acquisition targets, a substantial part of the cash in hand has been placed into deposits.

與此同時，集團持有存款及現金結餘約 37,900,000 美元（相等於 295,600,000 港元），並正積極尋求策略性的併購機會。

首次公開招股所得款項用途

本公司之股份於二零零二年五月十日起在香港聯合交易所有限公司（「聯交所」）主板上市。集團按每股 1.68 港元的發售價發售 148,200,000 股新股，集資約 31,900,000 美元（相等於 248,800,000 港元），扣除上市有關開支後，所得款項淨額約為 27,800,000 美元（相等於 216,800,000 港元）。

於二零零三年四月三十日，所得款項淨額中合共約 1,500,000 美元（相等於 11,700,000 港元）已用於資訊科技投資（L.O.G.O.N. 系統），以及在中國建立採購辦事處。而餘額約 26,300,000 美元（相等於 205,100,000 港元），將按計劃用作擴展採購網絡、提升 L.O.G.O.N. 系統、市場推廣及業務發展以及併購活動。集團在繼續物色具協同效益的併購目標的同時，已將手持的大部份現金存作存款。

Steven Julien FENIGER 范倚棋
Chief Executive Officer 行政總裁

Hong Kong, 23 July 2003
香港，二零零三年七月二十三日

